Among Men Who Work with Hand or Brain

Parting Dupes from Their Dollars; Some Devices of Mine Promoters.

By LLOYD KENYON JONES.

THERE are many favorite devices of mine promoting that work out perfectly at different times, depending always on the temper of the public and the degree of general speculative excitement. One of these methods is known as the "pre-organization" offering. A company is projected for any amount of capital stock that may be thought advisable by the promoter, the millions of dollars (on paper) concerned being governed by the price at which the stock is being sold.

A $5,000,000 organization having stock of the par value of $1 a share, but placing the stock at 1 cent a share, becomes virtually a $50,000 enterprise. The pre-organization offering is generally at a low figure, such as 1 cent a share, and the investors are told that, upon the organization of the company, treasury stock will not be offered for less than 10 cents a share.

Seeing what they believe to be an immediate net profit of 900 per cent, they take advantage of the offering, looking upon the percentage of their gains instead of upon the property in question. A great many of these companies are never formed after the pre-organization stock has been sold.

Another pet scheme, that has been worked time and time again, is to float a parent corporation, placing the stock at par or near it. The company owns nothing, but its object is to organize other enterprises that will possess something, retaining in each one the control of the stock. The promoter agrees not personally to appropriate one share of the stock in the subsidiary companies unless he pays the current price for the shares.

* *

Promoter in Supreme Control.

The postoffice department in Washington issued a fraud order against an outfit of this type in Boulder, Colo., and proved that the promoter owned the control in the parent organization. As that company controlled the subsidiary companies, it was plain that this promoter absolutely dictated the policies of every one of his concerns.

He became so indiscreet as to boast in the circulars mailed to his stockholders that he had a competency for life from his income or salaries and commissions, amounting to several thousand dollars a year. He had gathered in well in excess of $1,000,000, having sold stock to more than 6,000 persons. The only tangible asset that could be found was a subdivision in the outskirts of Boulder, Colo. The total value of this piece of land was perhaps not over 2 per cent of the funds he had secured from trusting investors. It was not the intrinsic, or even prospective, worth of any one property that appealed to these people so much as the prospect of sudden wealth through making a promotion margin on all of the other companies organized.

So eager were the stockholders of the original corporation to see the plans succeed they actually constituted the majority of the stockholders in the subsidiary concerns. The parent organization was paid a cash commission for the sale of the stock of the other companies, although everything was conducted in the same office. Thus a part of the money received was disbursed to the shareholders of the original organization as dividends.

* *

Stocks All Have Market Value.

About 5 per cent of the money invested in the stocks of these subsidiary corporations came back to them through the vehicle of the parent company. They were immensely satisfied, too, so long as stock could be sold in these various corporations and the parent company could pay dividends, over half of which went to the promoter. The stocks of these various companies had an active market value, although it is doubtful if 5 per cent of the total investments could be accounted for by any marketable assets.

There have been cases where promotion advertising has absolutely falsified. One of these, which was floated from Denver, Colo., was founded on the assertion, clearly made, that the property adjoined the great Mizpah mine in Tonopah, Nev. It was actually twenty-four miles distant, out on the desert.

Frauds of this type became common, but they were such flagrant breaches of the law operations along those lines became difficult.

Many misleading prospectuses and advertisements have been made possible by the liberal use of photographs. The promoter of oil propositions will print cuts of gushers, pumping wells, refineries, etc., as belonging to adjacent enterprises.

* *

"Adjacent," Not "Adjoining."

Now, while the word "adjacent" is taken by most people to mean "adjoining," this is not the case. "Adjacent" means "in the neighborhood of," while "adjoining" means "abutting."

Promoters of mining enterprises will use engravings of well known producers and of scenes underground. Some of these pictures have been employed hundreds of times, and, while the "literature" does not state that they are scenes of the property under consideration, it infers that when the flotation period has passed and the mine is operating the property should look something like the pictures in the book.

To go out and locate a few claims under the federal statutes is extremely inexpensive, but to take that small stretch of mountain scenery and picture it as a slumbering bonanza is an art. To analyze many prospectuses in an impartial and impersonal way is to come to the full realization that, after all, the company owns nothing but a location such as any of the stockholders could buy for perhaps less money than he contemplates investing in the company.

From the brief statement of the ownership of the ground by location the prospectus writer begins to dilate on the names of the claims that have a spicy, breezy western air, such as Kicking Horse, Injun Boy, Whippoor-will, Mexican Kid, Silver Glance, Golden Wasp, Hurricane, Hobo, Ragtime, etc. He then explains the proximity of shipping points and the rates for hauling and treating ore in mills and smelters. He shows what the discovery of three feet of "pay" at the nominal value of $30 a ton would mean to the stockholders, and eventually winds up his subtle suggestions by leading the readers to believe that here, indeed, is an opportunity of a generation.

* *

Fine Foundation for Story.

Thousands of miles of development have been done in the west where the locations have lapsed. A worked out property may have 10,000 to 15,000 feet of shafts, tunnels, etc., but the cost of this development may have originally been $250,000. There may even be an old plant of machinery, or a mill on the ground, and from a foundation such as this the promoter can build a story that doesn't simply gather in the dimes of widows and orphans but that catches bank presidents and hard headed business men and wheedles in thousands and tens of thousands of dollars.

When a promoter is dealing with business men he never overlooks any of the theatricals, if he is experienced. A mining man in Denver, who occupied a position of confidence with one of the larger promoters, and who unfortunately was addicted to the use of inebriating stimulants, freely displayed communications from his employer, who was in the east, advising him that a number of business men were leaving with him for the west.

The property at that time was idle, but the letters instructed the superintendent to have about twenty men at work in the main tunnel the day before the arrival of the victims. He was also commanded to see that men were stationed at some of the other workings not reached by the main crosscut. Gasoline was to be secured so that the hoists in the abandoned shafts could be in operation. Specimens of ore showing pyrites of iron and copper were to be carefully cleaned and brushed and laid about, apparently in careless abandon, at the portals of different tunnels and shafts.

* *

Stage Settings All Prepared.

The day the promoter arrived in the little mining camp in the hills he knew perfectly well that he could show his people a scene of marvelous activity. During the two days they remained at the property they saw the air drills pounding against the breasts of the tunnels—they witnessed large quantities of rock hauled to the surface, and watched the sorters pick out what was reputed to be ore, while the balance of the rock went to the dump.

They found the carefully prepared specimens in the workings and went into raptures over the glittering prospects. They even had some of the specimens (obligingly picked up by the promoter) assayed, and to their astonishment these ran high in both gold and silver. Before departing for the east they left in excess of $40,000 with the manipulator, and no sooner had their train left the mining camp than the men were paid off and the hum and rattle of industry ceased until another party should be brought from the east.

One of the promoters, however, was caught in his own trap. He had been looking for a number of his stockholders from the south and had everything in readiness for the staging of the same activity fraud. Unfortunately, they did not notify him of their arrival in Denver, but immediately proceeded to the property located in Boulder county. There was not a soul in sight, and the only inhabitants of the fabulously rich claims were a number of mountain rats.

Returning to Denver, they called on the promoter the following day. "Well, Jim," said one of them, "how is everything up at the tunnel?"

"Fine!" the promoter exclaimed, with a great display of fervor; "We'll take a run up there tomorrow, and you can see for yourselves."

"How many men have you working?" one of the others asked.

"Well," replied Jim, "we have eleven on the pay roll now, but we are going to add to the force shortly."

They examined the books and found that eleven men were drawing pay for the work not being done in the tunnel. They discovered that powder, candles, etc., had all been charged to the company, and they learned that every miner on the pay roll was fictitious.

When they confronted the promoter with the facts they had gathered there was only one way out and that was to "dig down" into his bank account and reimburse the men for the actual amount of money they had invested.

IT IS ON SUCH MEAGER WAGES AS THIS ENGLAND BUILDS HER DREADNOUGHTS

British naval contractors pay two-thirds of their employés less than the minimum wage that, according to Seebohm Rowntree, the British authority, is the smallest possible amount on which the physical existence of a man, wife, and three children can be maintained. In considering the wage figures presented in the table below it should be remembered that while the cost of living is less in Great Britain than in the United States, the difference is small as compared with the big difference in earning power. The minimum wage in government dockyards for unskilled labor is 10.5 cents an hour and an agitation is now under way to force the government contractors to pay at least this much. The table shows the pay of both skilled and unskilled labor:

Class of laborer.	Wages a week.	Class of laborer.	Wages a week.
Engineers and general	$4.32 to 5.28	Shop laborers [various]	4.32
Engineers and general [day work]	4.80	General laborers	$4.18 to 5.22
Engineers and general [night work]	6.00	Saw mill laborers	4.98
Fitters' helpers on time	4.80	Dock laborers	4.32
Engineers and fitters	4.08	Electricians' laborers	5.40
Engineers, turning shop	4.58	Stagers	$4.85 to 6.45
Crane drivers and slingers	$5.06 to 6.72	Hammermen	5.40
Bricklayers	5.32 and 5.76	Red leaders	4.32
Shipyard laborers	$4.56 to 5.76	Sweepers	4.76
Platers' helpers	5.06	Copper shop laborers	$4.04 to 4.56
Armor plate [machine]	4.32	Boiler shop laborers	$4.32 to 5.40
Armor plate [erecting]	4.32	Sheet iron workers	4.96
Armor plate [treatment]	4.80	Shop laborers [foundry]	4.32
Siemens' furnaces	4.80	Shop laborers [joiners]	4.05

"A PENNY SAVED IS TWO PENCE CLEAR."—BEN FRANKLIN.

Description of the New Safety Type Biplanes.

By WILLIAM B. STOUT.

IN nearly half of the aeronautical accidents of the last month which have resulted fatally the death of the aviator has been due largely to the wrong location of the motor directly behind the pilot.

In our own country two men were killed in one day—Tony Castellane at Mansfield, Pa., and Frank H. Miller at Troy, O.—the motor falling on the aviator in both cases, crushing out his life. Lieut. Cammel of England was killed at Hendon, near London, on Sept. 17 in a somewhat similar manner.

Whether the motor position was entirely the cause of death in each case will never be known, but enough has already happened to point out the greater safety of machines with the motor in front of the aviator, provided the proper fire precautions are taken. In nearly all monoplane types the motor is located in front, and even though there are more spills with monoplanes than with biplanes, the danger is not so great with each spill. If the aviator be strapped in his seat he is fairly safe in having framework to protect and break his fall in case of accident and has his motor where it cannot easily alight on him.

In developing biplanes most of the makers struck out on different lines from the monoplane makers and put the propeller and likewise the motor behind the main planes. This, in order to maintain balance, necessitated putting the aviator in front, so that there, until lately, he had to stay, taking his chances, the biplane being more stable than the monoplane and better controlled, so that he felt fairly safe. But with development we are coming to high speeds, and this means greater danger in landing, and thus more likelihood of bad shock and catapulted engine. There is need, therefore, for an entire abandonment of the motor-behind type.

* *

Puts Upper Plane Ahead.

Among the first to get into the line of development toward a safer biplane were M. Breguet and M. Goupy of France. The Goupy was nothing more nor less in its first stage of development than a Blériot with biplane wings attached, the fuselage landing chassis, motor hanging, etc., being the same. In this mount M. Goupy originated the idea of putting the upper plane of the two slightly in advance of the lower to get rid of the air effect the lower plane always has on the upper.

The Breguet machine was somewhat similar in general arrangement, but differed largely in details. In the first place, Breguet developed a new fuselage construction of steel, strong and efficient, though ungainly in appearance. At the back he placed an empennage much like that of Santos Dumont's demoiselle, but larger of course, mounted on a universal joint.

The wings were long and narrow, having, as engineers would say, a high "aspect ratio"—a high ratio of width to length. Each wing he trussed to the fuselage separate, as he said, "like a double monoplane," this allowing him to get along with only one set of vertical struts between the wings. This cut down the "head resistance" and added to the speed and lifting power. The French army has some fifteen of these machines in service now, they have flown with twelve passengers, and no other machine has carried more than its own weight in passengers unless it be Roger Sommers' great "bus." This Breguet has been fitted with almost every prominent motor from time to time, from the little Anzani to the big Gnome, and always with success. The motor is in front, of course, and the propeller known as a "tractor screw."

Slightly resembling the Goupy is the Zodiac biplane shown in the drawing.

This is of the motor in front type, the motor being under the round hood or nose at the front. The propeller can be seen at the extreme front. In the Zodiac the main wings are narrow and are so arranged that they can be removed in a few minutes so the machine can be transported over the roads for military uses.

The body part or "fuselage," you will notice, is all inclosed to lessen the wind resistance, and the side balancing is by ailerons at the rear edges of the wing tips, as seen in the white patch hanging down from the upper wing.

At the rear are the usual tail appendages; the tail proper, a fixed plane at T, and the movable part or elevator at E. In placing the main wings so far back the makers copy Antoinette practice, giving the pilot a position well to the rear, so he can see beneath him.

* *

The Astra Biplane.

A small cane skid is fixed on the outer end of the lower wings to save them from damage in landing.

The Astra biplane is similar to the Zodiac at first sight, but has some important differences. The wings are broader and shorter, lessening its efficiency, and the pilot is nearer to the wings, which impede his vision to a considerable extent in landing.

The most original difference between this and other engine front types lies in the large propeller placed high and connected to the engine by a short chain. This enables the motor to be inclosed except for the tops of the cylinders, and with the large slow moving propeller a greater pull is obtained for the same motor power.

The single skid idea is a good one, too, the wheels acting merely as stabilizers in landing. This part is suggestive of the Nieuport. The fuselage is inclosed as in most of this type.

The Billing biplane, an English product, lately flying at the Brooklands Aerodrome, while an experimental machine has some good performances to its credit.

In this the fuselage is larger in section than those I have already described, and is much longer.

The motor in this case is uninclosed and supported from the skids on separate framework. The fuselage is left open, as inclosing so big a section would mean trouble in side winds. The wings are deep and wide with a fairly deep curve so that this mount is more for carrying power than speed.

The landing skids are Farman throughout. An E. N. V. eight cylinder "Vee" type motor is fitted.

The chief disadvantage is in the much obstructed view of the pilot when in the air, as the wings are directly beneath him, though this is a far less disadvantage than having a motor behind.

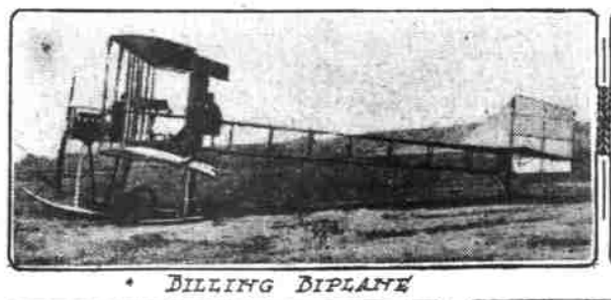
The Dufaux biplane is not shown in the drawings, but is similar to the Astra except that it is a smaller type and has a Gnome fitted at the nose, connected direct to a tractor propeller. This machine is made in Switzerland by a well known firm of motor builders and stands well in Europe.

The Avro biplane is another English product from Brooklands and is developed from the formerly famous Roe triplane, seen at the Boston meet of last year. This machine flies admirably with a passenger and with but a thirty horse power engine, showing a high efficiency. At the same time it flies in strong winds with safety, and seems to be one of the most promising of the engine front type.

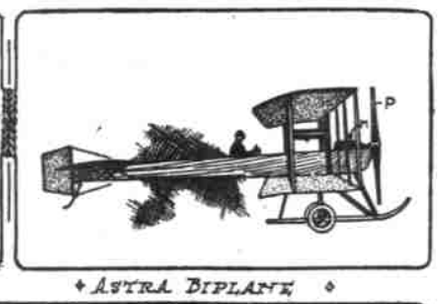
Several of these are being used by the British army, one being under test at the present time fitted with floats for work on the water. These tests are under government supervision.

There are other similar machines to those I have described, but these give an idea of the line toward safety which experimenters are following abroad in the biplane line.

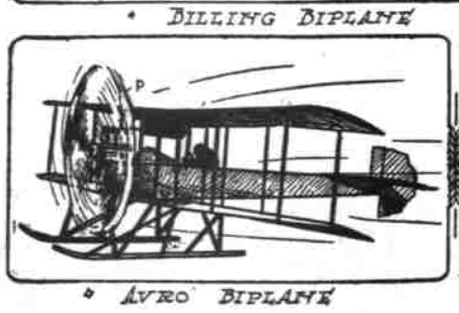
Whether American makers will follow suit remains to be seen.



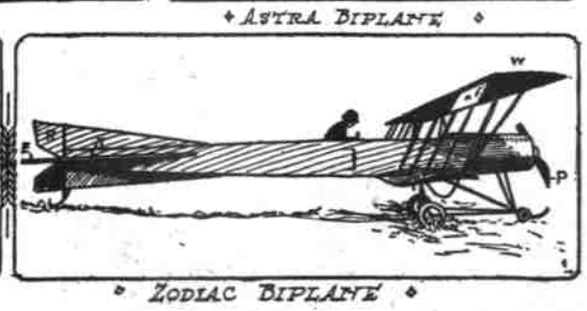
BILLING BIPLANE



ASTRA BIPLANE



AVRO BIPLANE



ZODIAC BIPLANE

Money a "Guide to America."

By Stanley R. Osborn.

A MAN who knew the geography of American money could tell almost where he was in the United States by the sort of legal tender which he encountered. Though he did not know the name of the state or whether it was east or west, north or south, he would still be able to make a good guess at the section into which he had been dropped.

On the Pacific coast paper money is unknown. Any one who offers a paper dollar or a $20 bill in payment is at once put down as a tenderfoot or a tourist. Gold money and silver dollars are the recognized legal tender. In Boston on the other hand neither gold nor silver circulates. Everything is bills. A Boston "L" cashier is said to have handed the silver dollar of a westerner back with the remark: "Haven't you anything else? I guess it's all right, but I'd rather take some other kind of money."

In the middle states until recently paper money was used exclusively from $5 up and silver dollars for smaller sums. But the paper dollar has been gaining so much that the silver piece is coming into disfavor, at least in clusters of more than three or four. At the present time paper money is used almost exclusively east of Chicago, but the silver coin is still in general circulation west. In fact the city man leaving for some point in Iowa or Minnesota receives his first silver dollar in change at the railway station in Chicago when he buys his ticket.

The march of civilization brings into use the smaller coins. In frontier days the smallest piece in general use was a quarter. When the Union Pacific pushed out into Nebraska that coin was recognized as the ultimate expression of cheapness. A clay pipe cost a quarter and nothing was sold for less.

On the Pacific coast at the present time the penny is regarded with contempt. The San Francisco department stores are gradually bringing it in, but the work is slow. The nickel is the smallest coin recognized on the street and no one but an easterner would dare give a street car conductor five pennies for his fare. Even the slot machines that in Chicago or New York would work with a penny call for a 5-cent piece on the coast. The same thing was true of the middle west of fifteen years ago. Many an old shopkeeper will tell of the nail keg he kept under the counter in which he threw the pennies. Anything that sold two for a quarter cost 15 cents for one.

As American conditions approximate those of Europe the penny will become more and more important and it may be that the mill will be coined. In some foreign countries there are coins much smaller than a mill and the careful marketer is accustomed to buy one onion or one potato at a time.

The language of money differs in different parts of the United States. On the Pacific coast the usual term for a quarter dollar is two bits. In the rural communities of New York and New England the people still talk of shillings, referring to the old colonial coin of twelve and a half cents.

Worth of Plants as Workers.

By IRWIN ELLIS.

SOME interesting statistics have been gathered by Prof. Strakosch of Vienna as the result of his exhaustive study of plants from a new point of view.

Taking those species which are of economic importance—that is to say, the vegetables, cereals, etc., which are of value to the human race—Strakosch has assembled them, so to speak, in his agricultural laboratory and determined with definite accuracy their efficiency as workers for man.

In other words he has considered them as if they were so many workers of the farm, ascertaining by a series of painstaking experiments just how much each one costs for its keep, and how much it produces. The object in each case has been to find out how much in value it takes from the soil in order to accomplish the result. This learned, it is easy enough to strike a balance, and to determine the amount of clear profit.

All wealth comes originally from the soil. The so-called economic plants are the workers that create wealth for the human race. By their efforts we are fed and supported. It is of obvious importance, therefore, that we should know which of them are the most efficient and capable, producing the largest output in terms of value, for the least expenditure.

It appears from Strakosch's figures that the most efficient of all economic plants is the Jerusalem artichoke. This justly valued vegetable produces, on an acre of good land, about 7,127 pounds of starch and other digestible substances. It takes from the soil, incidentally, $26 worth of material. But the difference between consumption and production, in terms of value, is $116.

One might imagine that the potato would be away up at the head of the list, but it is not so. The beet comes next, with an output of 6,384 pounds of digestible substances to the acre, taking $41 worth of material out of the soil, and yielding a clear balance of $112. Third in order is corn, which produces 4,562 pounds of digestible substances, consuming $17 worth of material, and giving a balance on the credit side of $108 for the acre.

These, then, are the three most efficient economic plants—the best workers for man. The potato is fourth on the list. Taking $4 worth of material out of the soil for each acre planted, it yields 4,449 pounds of digestible substances (nearly all starch), and shows a balance of $72 on the credit side. Rice gives 2,254 pounds, taking $5 worth from the land, and allows a balance of $45.

Peas produce 1,864 pounds, drawing on the bank to the extent of $2, and give the farmer a clear $40 to the acre. Carrots yield 4,196 pounds, with an expenditure of $17 worth of plant food, and show a margin of $61 to the good. Rye affords an output of 1,834 pounds of nutrients at a cost of $10 to the soil and furnishes a profit of $26. A crop of crimson clover withdraws from the land hardly more than one-twentieth of the quantity of valuable material consumed by timothy.

The greatest of all starch producers is the Jerusalem artichoke, which in this respect is away ahead of the potato. For each acre of land it yields a greater quantity of nutrients than the potato by considerably more than one-third. The beet comes next to the artichoke as a starch producer, then the potato, and next in order Indian corn.